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Indianapolis man charged as unregistered securities broker

Robert E. Wilson accused of offering investment securities to multiple investors

(Indianapolis, Ind.) -- Marion County Prosecutor Terry Curry announced today that Robert E. Wilson of Indianapolis has been charged with 20 felonies after an investigation revealed that he sold securities to investors as an unregistered broker resulting in losses of \$400,000 to investors. Wilson is accused of selling securities to 10 individuals or couples having never been registered as a broker-dealer with the Indiana Secretary of State's Office as required by law. Wilson has been charged with 10 Counts of Securities Fraud (Class C Felony) and 10 Counts of Unregistered Broker-Dealer (Class C Felony).

"Consumers should continually monitor investments for warnings signs that there may be a problem, such as not getting timely or accurate information from the broker," Prosecutor Terry Curry stated. "The oversight provided through the state's broker registration is a critical layer of protection for consumers. Investors should verify that the broker and the investment offered are registered in order to protect themselves from fraud."

As set forth in the probable cause affidavit, the investigation began as an audit in 2011 by the Indiana Secretary of State's Office Securities Division into Wellington Institutional Management LCC (WIM), which was owned by Wilson. Two specific investment funds were targeted in the investigation: The Wellington Market Equity Fund, LLC (Wellington Fund) and the Palladium Investors Fund, LLC (Palladium Fund). Those individuals investing in the Palladium Fund lost all of their investment totaling \$400,000.

Individuals who invested in the Wellington Fund were told that Wilson's computer program could perform stock market trades more quickly and more rationally than a stock broker, leading to potentially greater returns on their investment. The minimum investment into the Wellington Fund was \$50,000.

"This is another case of 'If it sounds too good to be true, then it probably is'," said Secretary of State Connie Lawson. "Our office was already aware of these high frequency trading scams made popular on Wall Street similar to the computer software Wilson allegedly promoted. If one person would have called our office to see if this was a licensed investment, we would have known it was a scam and could have prevented these devastating losses."

Investors should always check with the Secretary of State's office to make sure the securities broker and the product are licensed before investing. You can search the office's online database at <http://www.in.gov/sos/securities/2407.htm> or call 1-800-223-8791. Taking time to do this research

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helps investors avoid falling victim to fraud and, ultimately, save their hard earned dollars in the long run.

If you believe you are a victim of investment fraud of any kind, please report it to the Secretary of State's office. The office will try to recover your lost assets, if possible, and determine if an illegal action took place. Your report will also help to protect other consumers who could be taken advantage of in the future through similar schemes. You may report fraud by calling 1-800-223-8791 or you may submit a complaint online at <http://www.in.gov/sos/securities/2565.htm>.

Robert E. Wilson is scheduled for an initial hearing on 8/13/14 at 1:00 P.M. in criminal court 3.

A charge of a crime is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.

-30-

Note: The charging information and probable cause affidavit for this case are available at: <https://www.dropbox.com/s/k1erzsbw5ztfhnj/Robert%20E.%20Wilson.pdf>